

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:)	
)	
)	PROMESA
THE FINANCIAL OVERSIGHT AND)	Title III
MANAGEMENT BOARD FOR PUERTO RICO,)	
as representative of)	Case No. 3:17-bk-03283 (LTS)
)	
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> ,)	
Debtors.)	

In re:	X	
)	
)	
)	PROMESA
THE FINANCIAL OVERSIGHT AND)	Title III
MANAGEMENT BOARD FOR PUERTO RICO)	
as representative of)	Case No. 3:17-cv-01685 (LTS)
)	Case No. 3:17-bk-03566 (LTS)
)	
THE EMPLOYEES RETIREMENT SYSTEM OF THE)	
GOVERNMENT OF THE COMMONWEALTH OF)	
PUERTO RICO,)	
Debtor.)	

----- X

**DECLARATION OF SPARKLE L. SOOKNANAN
IN SUPPORT OF SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION OF CERTAIN
SECURED CREDITORS OF THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO
FOR RELIEF FROM THE AUTOMATIC STAY**

I, Sparkle L. Sooknanan, hereby declare under penalty of perjury:

1. I am an associate at the law firm of Jones Day, located at 51 Louisiana Avenue, N.W., Washington, D.C. 20001.¹ I am a member in good standing of the Bars of the State of New York and the District of Columbia and admitted *pro hac vice* in this matter. There are no disciplinary proceedings pending against me. I submit this declaration in support of Movants'² *Supplemental Brief in Support of Motion of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico for Relief from the Automatic Stay* (the "Brief"). I have personal knowledge of the matters stated herein. If called as a witness in this action, I could and would testify competently to the contents of this declaration.

2. Attached as Exhibit A hereto is a true and correct copy of the *ERS Pension Funding Bond Resolution*, issued by ERS and adopted on January 24, 2008.

3. Attached as Exhibit B hereto is a true and correct copy of the Memorandum of Understanding bearing Bates No. ERS-CW_LS0000309 through ERS-CW_LS0000313.

4. Attached as Exhibit C hereto is a true and correct copy of *Circular Letter No. 1300-46-17*, issued by the Commonwealth of Puerto Rico and a certified translation of the circular letter.

5. Attached as Exhibit D hereto is a true and correct copy of the *Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities: Information as of*

¹ Capitalized terms used but not otherwise defined herein will have the meaning as set forth in the Brief.

² Movants include Andalusian Global Designated Activity Company, Glendon Opportunities Fund, L.P., Mason Capital Master Fund L.P., Oaktree Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Ocher Rose, L.L.C., Puerto Rico AAA Portfolio Bond Fund, Inc., Puerto Rico AAA Portfolio Bond Fund II, Inc., Puerto Rico AAA Portfolio Target Maturity Fund, Inc., Puerto Rico Fixed Income Fund, Inc., Puerto Rico Fixed Income Fund II, Inc., Puerto Rico Fixed Income Fund III, Inc., Puerto Rico Fixed Income Fund IV, Inc., Puerto Rico Fixed Income Fund V, Inc., Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc., Puerto Rico Investors Bond Fund I, Puerto Rico Investors Tax-Free Fund, Inc., Puerto Rico Investors Tax-Free Fund, Inc. II, Puerto Rico Investors Tax-Free Fund III, Inc., Puerto Rico Investors Tax-Free Fund IV, Inc., Puerto Rico Investors Tax-Free Fund V, Inc., Puerto Rico Investors Tax-Free Fund VI, Inc., Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc., SV Credit, L.P., Tax-Free Puerto Rico Fund, Inc., Tax-Free Puerto Rico Fund II, Inc., and Tax-Free Puerto Rico Target Maturity Fund, Inc.

March 29, 2019, issued by AAFAF on April 30, 2019, which was downloaded from AAFAF's website, located at <http://www.aafaf.pr.gov/assets/aafaf-bank-account-balances-government-pr-instrum-03-29-2019.pdf>.

6. Attached as Exhibit E hereto is a true and correct copy of the document bearing Bates No. ERS-CW_LS0000304 and a certified translation.

7. Attached as Exhibit F hereto is a true and correct copy of the document bearing Bates No. ERS-CW_LS0000305 through ERS-CW_LS0000307 and a certified translation.

8. Attached as Exhibit G hereto is a true and correct copy of the document bearing Bates No. ERS_LS0005056 through ERS_LS0005065 and a certified translation.

9. Attached as Exhibit H hereto is a true and correct copy of the document bearing Bates No. ERS-CW_LS0000386 through ERS-CW_LS0000387.

10. Attached as Exhibit I hereto is a true and correct copy of the document bearing Bates No. ERS-AAFAF_LS0001523 through ERS-AAFAF_LS0001524.

11. Attached as Exhibit J hereto is a true and correct copy of the document bearing Bates No. ERS_LS0000397 through ERS_LS0000398.

12. Attached as Exhibit K hereto is a true and correct copy of the document bearing Bates No. ERS_LS0008279 and a certified translation.

13. Attached as Exhibit L hereto is a true and correct copy of a March 14, 2019, article from Reorg Research, Inc. titled *Gov. Rosselló Warns Fiscal Challenges Will Make Some Municipalities Inoperable Within 5 Years Absent Structural Reform, Acknowledges Opposition to County Plan*.

14. Attached as Exhibit M hereto is a true and correct copy of the April 30, 2019 letter from the Oversight Board to the Commonwealth, which was downloaded from the Oversight Board's website, located at <https://drive.google.com/file/d/1jGz3cotsGds4-1G5-X0MN0C-A01drDse/view>.

15. Attached as Exhibit N hereto is a true and correct copy of ERS's *Basic Financial Statements and Required Supplementary Information* for the period ending June 30, 2014 and released on June 2, 2016, which was downloaded from the EMMA Municipal Securities Rulemaking Board website, located at <https://emma.msrb.org/ES1016473.pdf>.

16. Attached as Exhibit O hereto is a true and correct copy of the *Commonwealth of Puerto Rico Fiscal Plan*, released on October 14, 2016, which was downloaded from the Oversight Board's website, located at <https://drive.google.com/file/d/1nXSBAus9EJy0RetoDfcN9OkIUQuLNON/view>.

17. Attached as Exhibit P hereto is a true and correct copy of *Commonwealth of Puerto Rico Financial Information and Operating Data Report*, dated December 18, 2016, which was downloaded from the EMMA Municipal Securities Rulemaking Board website, located at <https://emma.msrb.org/ER1184694.pdf>.

18. Attached as Exhibit Q hereto is a true and correct copy of ERS's *Basic Financial Statements and Required Supplementary Information* for the period ending June 30, 2016 and released on October 5, 2018, which was downloaded from the EMMA Municipal Securities Rulemaking Board website, located at <https://emma.msrb.org/ER1313364.pdf>.

19. Attached as Exhibit R hereto is a true and correct copy of the *PayGo and Individual Contribution Debt by Entity*, issued by AAFAF and dated April 15, 2019, which was

downloaded from AAFAF's website, located at <http://www.aafaf.pr.gov/assets/paygo-report-full-april-2019.pdf>.

20. Attached as Exhibit S hereto is a true and correct copy of the April 30, 2019, press release titled *Oversight Board Calls for Urgent Action to Collect \$340 Million due from Municipalities and Public Corporations in PayGo and Individual Employee Payroll Withholdings*, issued by the Oversight Board.

21. Attached as Exhibit T hereto is a true and correct copy of the certified translation of the *Municipality of Ponce Audit Report*, issued on March 4, 2019.

22. Attached as Exhibit U hereto is a true and correct copy of the May 9, 2019, letter from the Oversight Board to Governor Rosselló, which was downloaded from the Oversight Board's website, located at <https://drive.google.com/file/d/1f6PuHmXjgaRtg7fvnVAFPVgR-RL7IQD3/view>.

23. Attached as Exhibit V hereto is a true and correct copy of the certified translation of the May 29, 2019 *Sworn Complaint* filed by the municipality of San Juan against ERS, the Puerto Rico Treasury Department, the Retirement Board of the Government of Puerto Rico and the heads of these entities in their official capacity in the San Juan Court of First Instance.

24. Attached as Exhibit W hereto is a true and correct copy of the certified translation of the June 10, 2019 *Motion to Dismiss and, In the Alternative, In Opposition to Preliminary and Permanent Injunction and Mandamus Petition*, filed by the defendants to the lawsuit by the municipality of San Juan.

25. Attached as Exhibit X hereto is a true and correct copy of the article titled *San Juan Mayor Discusses Order in Local Pay-Go Lawsuit, Skips Oversight Board Meeting at CRIM*

Based on City's Pending Lawsuit Against Board, published by Reorg Research, Inc. and dated June 11, 2019.

26. Attached as Exhibit Y hereto is a true and correct copy of the certified translation of Law No. 177-2018.

27. Attached as Exhibit Z hereto is a true and correct copy of a certified translation of an article from El Nuevo Dia titled *Mayors denounce errors in the PayGo*, published on July 27, 2018.

28. Attached as Exhibit AA hereto is a true and correct certified translation of Law No. 29-2019.

29. Attached as Exhibit BB hereto is a true and correct copy of the *June 30, 2017 Actuarial Valuation Report* for ERS, released on March 26, 2019.

30. Attached as Exhibit CC hereto is a true and correct copy of the May 17, 2019, letter from the Oversight Board to Governor Rosselló, the President of the Senate of Puerto Rico and the Speaker of the House of Representatives of Puerto Rico, which was downloaded from the Oversight Board's website, located at https://drive.google.com/file/d/19JYZZY3C5qIPZ4Dv6e9d_aP_SuRe5rud/view.

31. Attached as Exhibit DD hereto is a true and correct copy of the June 12, 2019 letter from the Oversight Board to Governor Rosselló, President of the Senate of Puerto Rico Schatz, and Speaker of the House of Representatives of Puerto Rico Núñez, which was downloaded from the Oversight Board's website, located at <https://drive.google.com/file/d/1nKgZzw91qbHl9WFOnwfaL96FKw0OVqeJ/view>.

32. Attached as Exhibit EE hereto is a true and correct copy of the Unofficial Transcript, *Altair Global Credit Opportunities Fun (A), LLC, et al., v. Garcia-Padilla, et al.*, No. 16-2433.

33. Attached as Exhibit FF hereto is a true and correct copy of *Joint Resolution for Other Allocations for Fiscal Year 2017-2018* (“Joint Resolution 188”) and a certified translation of Joint Resolution 188.

34. Attached as Exhibit GG hereto is a true and correct copy of *Law to Guarantee Payment to Our Pensioners and Establish a New Plan for Defined Contributions for Public Servants* (“Act 106”) and a certified translation of Act 106.

35. Attached as Exhibit HH hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Mohammad Saleh Yassin-Mahmud, dated May 29, 2019.

36. Attached as Exhibit II hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Francisco José Peña Montañez, dated May 30, 2019.

37. Attached as Exhibit JJ hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Luis Collazo Rodriguez, dated June 4, 2019.

38. Attached as Exhibit KK hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Jaime El Koury, dated June 6, 2019.

39. Attached as Exhibit LL hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Andrew Samwick, dated June 17, 2019.

40. Attached as Exhibit MM hereto is a true and correct copy of the excerpts of the deposition transcript of Ms. Faten Sabry, dated June 20, 2019.

41. Attached as Exhibit NN hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Gaurav Malhotra, dated June 18, 2019.

42. Attached as Exhibit OO hereto is a true and correct copy of the excerpts of the deposition transcript of Mr. Lawrence Sher, dated June 20, 2019.

43. Attached as Exhibit PP hereto is a true and correct copy of the expert report of Andrew Samwick, dated May 30, 2019.

44. Attached as Exhibit QQ hereto is a true and correct copy of the expert report of Faten Sabry, dated May 30, 2019.

45. Attached as Exhibit RR hereto is a true and correct copy of the rebuttal expert report of Faten Sabry, dated June 12, 2019.

Dated: June 21, 2019
Washington, D.C.

/s/ Sparkle L. Sooknanan
Sparkle L. Sooknanan